



**King County Mental Health Chemical Abuse and Dependency Services Division  
2006 Briefing Paper**

## **Access to Mental Health Services for People Not Covered by Medicaid**

### **BACKGROUND:**

Federal regulations now require that Medicaid funding be used only for Medicaid-covered services to individuals on Medicaid. Mental health services for people who are not covered by Medicaid must be paid for with non-Medicaid funds (also referred to as “state-only” funds). The legislature provided an additional \$80 million in state-only funds in 2005 to be used to cover priority non-Medicaid services (psychiatric in-patient services, crisis and commitment services, and residential services) and for other non-Medicaid covered services, including services to people not on Medicaid. The legislative budget directive for allocating these non-Medicaid funds was not followed by the Mental Health Division, resulting in even greater inequities in service availability across the state than already existed.

### **ISSUES/CHALLENGES:**

Due to a continuing decrease in King County’s share of state mental health funding, services for people not on Medicaid have been significantly reduced in the past five years. Individuals who are not on Medicaid and who have mental illness include young people suffering a first break psychosis, immigrants, individuals who are homeless and too disorganized or paranoid to complete necessary paperwork, and individuals who must spend down funds on medical care in order to be eligible for Medicaid. When not served, they are more likely to use higher cost services such as jail and hospitals.

### **DATA:**

- In the first quarter of 2001, King County provided 2098 individuals with outpatient mental health services. In the first quarter of 2005, that number dropped to 264 individuals. Unless additional funds are provided, by the end of 2006, King County will not be able to serve anyone who is not on Medicaid.
- King County, with 29% of the state population, will receive only 23% of the non-Medicaid funding.

### **RECOMMENDATION/LEGISLATIVE ACTION:**

- Request a one-time \$7.4 million emergency supplemental appropriation to fund non-Medicaid services for King County. Reestablish the original allocation methodology as stated in the 2005 budget proviso.
- End liquidated damages for RSNs which exceed bed allocations, and return all past damages paid, in accordance with the recent Thurston County Superior Court decision in the Pierce County lawsuit. The return of these funds would enable King County to provide necessary non-Medicaid services in 2006.